

the increase of about £12,000,000 in the "private deposits" proved that the additional money thus borrowed by the market remained substantially in the joint-stock bankers' balances held by the Bank of England.

The protracted alarm had not yet excited the desire in the public to "hoard" money, that is, to remove funds from the banks for private keeping in the house or concealment in secret places. This foolish course, indicative of insane distrust and fear, has commonly occurred at all periods of general apprehension and panic, but the difference of occasion is marked between eras when no stable and universal system of banking existed, and modern times. Still, undoubtedly, hoarding was practised during the present stage, to the detriment of the currency, of trade, and of public confidence — self-regard is the content of every form of evil.

The ratio of the Bank of England's reserve to the amount of its liabilities had fallen, by 12½ per cent, to 40 per cent only, as a distinctive sign of impending financial dislocation.

The last meeting of the Stock Exchange assembled to-day, and the unprecedented fact is reported that during the first two hours no business was attempted. As a portent' of this indiscriminating period, it may be mentioned that Canadian Pacific Railway Shares — an investment of an attractive character in normal circumstances — fell from the price of 188½ in the preceding week to 157½ on the 30th of July — a decline of 31½ or upwards of 16½ per cent. A further significant effect is afforded by the fact that during the ten days from the 20th to the 30th July (when the Stock Exchange closed) the aggregate reduction of price in 387 representative stocks quoted on the Exchange, amounted to £188,000,000 — the principal depreciation occurring in British Funds, Foreign Government Securities, American Railways, and British and Colonial Railways.

July

The supreme financial stage now became imminent, and this day

presented a spectacle in the City which had rarely, if ever, been witnessed in our monetary history. The Stock Exchange was closed by the Committee until further notice.